

RESOLUTION NO. 08-23

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$42,000,000 CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK VARIABLE RATE REFUNDING REVENUE BONDS (THE AMERICAN NATIONAL RED CROSS), SERIES 2008 TO REFINANCE A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, DEVELOPING AND EQUIPPING CERTAIN ECONOMIC DEVELOPMENT FACILITIES FOR THE AMERICAN NATIONAL RED CROSS, PROVIDING THE TERMS AND CONDITIONS FOR THE ISSUANCE OF SAID BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS

August 21, 2008

WHEREAS, the California Infrastructure and Economic Development Bank (the "Issuer") was established for the purpose of financing and refinancing projects needed to implement economic development and job creation and growth management strategies within the State of California (the "State") and is authorized to issue tax-exempt and taxable revenue bonds to provide financing and refinancing for "economic development facilities," pursuant to the provisions of the Bergeson-Peace Infrastructure and Economic Development Bank Act consisting of Sections 63000 *et seq.* of the California Government Code (the "Act"); and

WHEREAS, The American National Red Cross, a federally chartered nonprofit corporation and a body corporate and politic in the District of Columbia (the "Borrower"), has submitted an application to the Issuer for financial assistance to provide funds to refinance a taxable loan that was used to refinance the Issuer's Variable Rate Revenue Bonds (The American National Red Cross), Series 2005 (the "Prior Bonds"), which Prior Bonds were used to finance and refinance a portion of the costs of the acquisition, construction, furnishing and equipping of blood donor collection, executive and administrative offices, laboratory, shipping and receiving facilities to be operated by the Borrower on real property leased by the Borrower and located in Pomona, California (the "Prior Project"); and

WHEREAS, in furtherance thereof, the Issuer now desires (a) to authorize the issuance of California Infrastructure and Economic Development Bank Variable Rate Refunding Revenue Bonds (The American National Red Cross), Series 2008, in one or more series, in an aggregate principal amount not to exceed \$42,000,000 (the "Bonds") to assist in the refunding of the Prior Bonds, (b) to provide for the payment of the principal of and premium, if any, and interest on the Bonds with revenues derived from the repayment of a loan of the proceeds of the Bonds to the Borrower and (c) to take and authorize certain other actions in connection with the foregoing; and

WHEREAS, in order to enhance the marketability of the Bonds, the Borrower has agreed to provide for the delivery of an irrevocable direct-pay letter of credit to be issued by U.S. Bank National Association (the "Credit Provider"), which is rated in one of the three highest rating

categories of Moody's Investors Service, Fitch, Inc. or Standard & Poor's, without regard to numerical or other qualifiers, thereby supporting repayment of the Bonds; and

WHEREAS, the Issuer desires to make certain determinations relating to the Prior Project, the Borrower and the Bonds, as required by the Act; and

WHEREAS, there is now on file with the Secretary of the Issuer the following:

(a) a proposed form of the Loan Agreement (the "Loan Agreement"), to be entered into by and between the Issuer and the Borrower;

(b) a proposed form of the Bond Indenture (the "Indenture"), to be entered into between the Issuer and a corporate trustee to be named therein, as trustee (the "Trustee"), providing for the authorization and issuance of the Bonds;

(c) a proposed form of the Bond Purchase Agreement (the "Purchase Agreement"), to be entered into by and among the Issuer, the Treasurer of the State of California and Merrill Lynch, Pierce, Fenner & Smith, Incorporated (Merrill Lynch & Co.), as underwriter (the "Underwriter"), and approved by the Borrower; and

(d) a proposed form of the Official Statement with respect to the Bonds, to be used by the Underwriter in connection with the sale of the Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Infrastructure and Economic Development Bank, as follows:

Section 1. The form of the Loan Agreement on file with the Secretary of the Issuer is hereby approved, and the Chair of the Issuer, the Chair's designee or the Executive Director, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Loan Agreement, and the Secretary of the Issuer is authorized to attest thereto, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof. The Issuer further authorizes and approves the loan of the proceeds of the Bonds to the Borrower in order to finance and refinance a portion of the cost of the Project pursuant to the terms and provisions of the Loan Agreement.

Section 2. The form of the Indenture on file with the Secretary of the Issuer is hereby approved, and the Chair of the Issuer, the Chair's designee or the Executive Director, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver to the Trustee the Indenture, and the Secretary of the Issuer is authorized to attest thereto, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof.

Section 3. The form of the Purchase Agreement on file with the Secretary of the Issuer is hereby approved, and the Chair of the Issuer, the Chair's designee or the Executive Director, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Purchase Agreement, and the Secretary of the Issuer is

authorized to attest thereto, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof. The Treasurer of the State of California (the "Treasurer") is hereby authorized and requested to sell the Bonds, at any time and from time to time within one hundred eighty (180) days of receipt of a certified copy of this resolution, at private sale, in such series and such principal amounts, at such prices and at such interest rate or rates as he may determine.

Section 4. The form of the Official Statement on file with the Secretary of the Issuer is hereby approved and its use by the Underwriter in connection with the sale of the Bonds is hereby approved, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof to the Underwriter. The Chair of the Issuer, the Chair's designee or the Executive Director, and each of them, acting alone, is hereby authorized and empowered to execute the Official Statement. The Underwriter is hereby authorized to distribute copies of the Official Statement to the purchasers of the Bonds.

Section 5. The Issuer approves the issuance of not to exceed \$42,000,000 aggregate principal amount of the Bonds, in one or more series, in accordance with the terms of, and to be secured by, the Indenture. Payment of the principal of and premium, if any, and the interest on the Bonds shall be made solely from payments to be made pursuant to the Loan Agreement and certain other funds to be held or received by the Trustee under the Indenture, and said Bonds shall not be deemed to constitute a debt or liability of the Issuer or the State. The Chair of the Issuer, the Chair's designee or the Executive Director, and each of them, acting alone, is hereby authorized and directed to execute, in the name and on behalf of the Issuer, by manual or facsimile signature, the Bonds, and the Secretary of the Issuer is hereby authorized and directed to attest, by manual or facsimile signature, thereto in an aggregate principal amount not to exceed \$42,000,000 in accordance with the Indenture and in the form set forth in the Indenture. The Bonds shall bear interest at the rates determined by the Underwriter and set forth in the Purchase Agreement. In no event shall the rate of interest on the Bonds exceed the lesser of 15% per annum or the maximum rate permitted by law.

Section 6. The Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds so delivered by executing the certificates of authentication appearing thereon and to deliver the Bonds, when duly executed and authenticated, to the Underwriter in accordance with written instructions executed on behalf of the Issuer by the Chair of the Issuer, the Chair's designee or the Executive Director which instructions said officer is hereby authorized and directed, for and in the name of and on behalf of the Issuer, to execute and to deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the Underwriter upon payment of the purchase price therefor.

Section 7. Pursuant to Section 63046 of the Act and based upon representations made by the Borrower, the Board of Directors of the Issuer hereby finds and determines that:

- (a) the Prior Project is located in the State;

- (b) the Borrower is capable of meeting its obligations in connection with the Bonds and related agreements;
- (c) the payments to be made under the Loan Agreement are adequate to pay all current expenses of the Issuer in connection with the Bonds and to make all payments with respect to the Bonds when due;
- (d) the proposed financing is appropriate for the refinancing of the taxable loan used to refinance the Prior Bonds;
- (e) the Prior Project is consistent with any local or regional comprehensive plans; and
- (f) the Prior Project demonstrates clear evidence of a defined public benefit.

The finding in subsection (b), above, is based on the requirement that the payment of the principal, purchase price of, and interest on each series of the Bonds will initially be supported by the Credit Provider and the Bonds will at all times be rated in one of the three highest rating categories of Moody's Investors Service, Standard & Poor's Ratings Services or Fitch Ratings, Inc., without regard to numerical or other qualifiers.

Section 8. The Chair of the Issuer, the Chair's designee or the Executive Director, and each of them, acting alone, is hereby authorized to execute all documents, certificates and instruments necessary or appropriate to this transaction and the issuance of the Bonds. All actions required to be taken by the Secretary of the Issuer that are necessary or appropriate to this transaction and the issuance of the Bonds may be taken by the Secretary's designee.

Section 9. All actions heretofore taken by the officers and agents of the Issuer with respect to the approval, credit enhancement, issuance and sale of the Bonds are hereby approved, confirmed and ratified, and the officers of the Issuer and their authorized designees, deputies and agents are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates and documents that they or bond counsel may deem necessary or advisable in order to consummate the issuance, credit enhancement, sale and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution.

Section 10. This Resolution shall take effect from and after its adoption.

PASSED, APPROVED, AND ADOPTED at a meeting of the Board of Directors of the California Infrastructure and Economic Development Bank on August 21, 2008, by the following vote:

AYES: Berte, Lujano, Sheehan, Rice, Marin

NOES: None

ABSENT: None

ABSTAIN: None

By Stanton C. Hazelroth
Stanton C. Hazelroth, Executive Director

Attest:

By Roma Cristia-Plant
Roma Cristia-Plant, Secretary